SHRI PRANAB MUKHERJEE: The Government must respond to it. ...*(Interruptions)*... The Government must respond to it. *(Interruptions)*

MR. CHAIRMAN: Please don't come to the well. *(Interruptions)*

SHRI PRANAB MUKHERJEE: Sir the Government cannot remain silent on this matter. We cannot allow the House to run...*(Interruptions)*...This is the news-item that appeared in the *Indian Express*. ...*(Interruptions)*... The Government must take cognizance of it, and if the Government only says that this news-item is totally wrong, I am prepared to accept even that, but unless the Government responds to it, it is very difficult for us to co-operate with them in conducting the business of the House. This is my most respectful submission to you, Sir. *(Interruptions)*

MR. CHAIRMAN: I cannot understand anything. *(Interruptions)*

The Home Minister wants to say something. *(Interruptions)*

SHRI S. VIDUTHALAI VIRUMBAI: Sir, we can adjourn the House.

MR. CHAIRMAN: The Home Minister is going to say something.

THE MINISTER OF HOME AFFAIRS (SHRI L.K. ADVANI): Mr. Chairman, Sir, an hon. Member from the other side has referred to some news-item, and I thought that, when you told him that you would look into it, he would be satisfied, but if they want to be satisfied only if I say it, then I would say that the Government also would look into it.

ORAL ANSWERS TO QUESTIONS

Loans for Power Transmission in Andhra Pradesh

*401. SHRIMATI JAYAPRADA NAHATA:
SHRI YADLAPATI VENKAT RAO:

Will the Minister of POWER be pleased to state:

(a) whether Government of Andhra Pradesh has reqeusted for loan assistance from Japan in respect of power transmission schemes in Visakhapatnam and Nellore; and

(b) the steps taken by the Central Electricty Authority to sanction the projects for loan?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) Government of Andhra Pradesh/Andhra Pradesh State Electricity Board (APSEB) had sent two project proposals viz. (i) Simhadri and Vizag Transmission System Project in Visakhapatnam, (ii) Krishanapatnam Transmission System Project in Nellore for OECF assistance. OECF, Japan has already sanctioned a loan of Japanese Yen 10629 million for Phase-I of the Transmission System for evacuation of Power from Vizag & Simhadri Power Stations. Krishnapatnam Transmission System Project has been examined by Central Electricity Authority (CEA) and the comments were sent to APSEB in October, 1997. The final Project Report for techno-economic clearance is now to be submitted by Government of Andhra Pradesh/APSEB after incorporating the suggestions made by CEA.

SHRIMATI JAYAPRADA NAHATA: Sir, the Andhra Pradesh Government had sent proposals for integrated power transmission schemes regarding Visakhapatnam Thermal Power Stations, Simhadri Thermal Power Station and Krishnapatnam Thermal Power Station in Nellore for approval of the Central Electricity Authority for their inclusion under the OECF loan package.

Since the Minister has already given a reply, I would like to know from the hon. Minister whether the recent Japanese economic sanctions have any bearing on the loans which have already been sanctioned. What are the schemes approved under the OECF package throughout the country?

SHRI R. KUMARAMANGALAM: Sir, with regard to the first part of her supplementary, I would like to submit, through you, to the House that the loans have already been sanctioned and the disbursement is on. There is no problem with regard to the loans that have been sanctioned and which are on stream. With regard to the future projects, we have not received any negative response yet. This is with regard to the sanctions which are there. I would like to point out, with regard to the OECF sanctioning of various transmission projects, that there is the 400 KVA Srisailam Left Bank Power Transmission Scheme. It is being sanctioned. The loan amount is in million dollars. It is 3,806. For the Left Bank Power House, it is 9,546. With regard to the Left Bank Power Station Project, it is 26,101. With regard to the Left Bank Power Station Project again it is 22,567. With regard to the Kothagudem East Thermal Power Station Project, it is 5,092. For Simhadri and Vaizag transmission systems, it is 10,629. For AP Energy Efficiency Project, it is 42.7. The Ramagundam STPP is a World Bank project. With regard to the Ramagundam-2 OECF project, it is complete. For the Nagarjuna Sagar, it is 8,400. For the Chandrapur Thermal Power Station expansion, it is 1,420. For the Lower Parbani Hydroelectric Power Station, it is 1,700. For the Ramagundam STPP-2, it is 129.54. For the Ramagundam STPP-2 again it is 172. Out of the last two, one was German and the other was Saudi. I can go on endlessly and the list is quite long. I think it will be better to say that I would supply the list to the hon. Member and save the time of the House. It is a large list.

SHRIMATI JAYAPRADA NAHATA: Sir, my second supplementary is this. Is there any proposal for getting financial assistance for the Krishnapatnam project in the current year? My information is that some of the States have not accepted the OECF loans. Is it possible to divert the loan and utilise it for the Krishnapatnam project?

SHRI R. KUMARAMANGALAM: Sir, with regard to the OECF loans, diversion is not possible. But the State has asked for an exemption from the competitive bid system. We have sent our recommendation to the OECF. We are awaiting their response. Normally, they do not agree to these exemptions.

SHRI YADLAPATI VENKAT RAO: Mr. Chairman, Sir, I would like to know from the hon. Minister what the steps which he has taken are to attract foreign capital for financing such projects and to offset the decline in the financial flows on account of economic sanctions.

SHRI R. KUMARAMANGALAM: Sir, non of our projects are going to stop at the moment because of lack of external assistance to our projects. Even with regard to the Krishnapatnam project, the situation is that the State Electricity Board has to come back to the CEA. Certain comments or information have been sought for. After incorporation those comments we will recommend the case to the OECF. At the present moment a situation doesn't arise where we need to arrange additional funding. But I can tell the hon. Member that if the sanctions continue for a long duration, we may have to search for alternative sources of funding. With

regard to the power projects we are going to have funding meeting with the Ministry of Finance and it will take place sometime next week. I would keep the hon. Member informed, if he wants to know what our plans at that stage are.

SHRI YERRA NARAYANASWAMY: Mr. Chairman, Sir, I would like to know from the hon. Minister whether the Government of India gave counter guarantee to Hinduja's 1000-megawatt power project at Visakhapatnam. Part (b) of my question is: What is the time-schedule for completing the project?

SHRI R. KUMARAMANGALAM: Sir, the counter guarantee terms are being discussed by the IPP, that is, the Hinduja National Power Limited and the representatives of the Ministry of Finance on minor details. It is expected that the counter guarantee terms will be coinitialled by both the parties by 30th of this month. So far as the time-schedule which they have given in their original tender is concerned, I believe that it is four years for commercial production of power. I do believe that they would be able to keep the date. But, however, we would finally know it only when the financial closure takes place.

SHRI C. RAMACHANDRAIAH: There is one project which is being promoted by BPL at Kamagundam. It is pending. The Government of Andhra Pradesh has referred this proposal to the Ministry of Power and the Ministry of Power in turn has referred it to the Ministry of Economic Affairs. I would like to know from the Minister whether this proposal has been referred to OECF for evacuation of power that is being manufactured.

SHRI R. KUMARAMANGALAM: Sir, we have recommended it to OECF. But the project is not at a stage where I would say that it is a matter where loans could be granted for the simple reason that there are problems with fuel linkage in this particular project. As communicated, OECF believes that it needs further details and an assurance that these project would actually keep the schedules which have been indicated. So far as the BPL project is concerned, the real problem is with the fuel supply units.

SHRI S.R. BOMMAI: Sir, so far as the Cogentrix project in Karnataka is concerned, the MoU was signed in 1994. The United Front Government cleared both the Enron project and the Congentrix project. Now the Government of India has to give counter guarantee. The Karnataka Government is pressing for it. Sir, you are well aware of the power shortage in Karnataka.

MR. CHAIRMAN: But this supplementary does not arise out of this question. Mr. Minister, would you like to reply to it?

SHRI R. KUMARAMANGALAM: Sir, it does not arise out of this question, but I can still reply.

SHRI S.R. BOMMAI: When is it going to be finalised? When are you going to give counter guarantee?

SHRI R. KUMARAMANGALAM: Sir, the Cogentrix project is in quite an advanced stage. But it is not yet complete. There are many minor details which need to be sorted out between the State Government and IPP. But, more than that in this particular case the Karnataka High Court had actually passed an order directing the CBI to investigate into the charges of corruption. Then the matter went in appeal to the Supreme Court. The Supreme Court is today seized of the matter. While the matter is pending in the Supreme Court, we feel that the issuance of counter guarantee or proceeding on this matter may not be advisable. We are waiting for the decision of the Supreme Court on the appeal. As soon as that decision comes, I can assure the hon. Member that we will move swiftly.